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VRDOs - NEW JERSEY

State ex rel. Edelweiss Fund, LLC v. JPMorgan Chase & Co.

Superior Court of New Jersey, Appellate Division - December 27, 2024 - Not Reported in Atl. Rptr. - 2024 WL 5231309

In this qui tam action, Edelweiss Fund LLC filed suit on behalf of the State of New Jersey. The complaint alleged that defendants, a number of financial institutions and their subsidiaries, violated the New Jersey False Claims Act (NJFCA) in connection with their resetting of interest rates of variable-rate, tax-exempt municipal bonds, defrauding the State of more than \$100 million.

The Appellate Court held that NJFCA public disclosure bar precluded Edelweiss' fraud claims because the underlying transactions on which they are based were publicly disclosed data regarding VRDO rate resets.

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